



Medicare on Main Street

“The Doctor Will NOT See You Now” Medicare Access Already a Problem; Medicaid Bad Sign for Future

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It doesn't take a fortune teller to predict what will likely happen when massive cuts in Medicare physician reimbursement begin next year: Medicare beneficiaries will suffer.

Access is already a problem. A recent survey of doctors reveals nearly a third of primary care physicians restrict the number of Medicare patients in their practice mainly on account of low and unreliable government payment.^[1] The American Academy of Family Physicians reports that more than 12 percent of its doctors simply don't accept Medicare patients, up from 8 percent in 2008 and 6 percent in 2004. Even the president of the New York Medical Society no longer takes Medicare patients.^[2]

And the potential impact on access of much lower reimbursement? Access for Medicaid beneficiaries is not a good sign. Years of inadequate payment rates, below the cost of care at times, have contributed to widespread access problems for both primary and specialist care:

- Inadequate payment is the most common reason for providers not to accept Medicaid patients.^[3]
- Only 42% of primary care physicians in 2008 were accepting all or most new Medicaid patients compared to 61% for Medicare patients and 84% for those with private insurance.^[4]
- Medicaid enrollees access care through the emergency room at twice the rate of the uninsured and those with private coverage.^[5] “With states squeezing payments to providers...patients are finding it increasingly difficult to locate doctors and dentists who will accept their coverage. Inevitably, many defer care or wind up in hospital emergency rooms.”^[6]

^[1] American Medical Association, *AMA Online Survey of Physicians: The Impact of Medicare Physician Payment on Seniors Access to Care*, May 2011, <http://www.ama-assn.org/resources/doc/washington/medicare-survey-results-0510.pdf>.

^[2] Richard Wolf, “Doctors Limit New Medicare Patients,” *USA Today*, June 21, 2010, http://www.usatoday.com/news/washington/2010-06-20-medicare_N.htm.

^[3] Medicaid and CHIP Payment and Access Commission (MACPAC), *Report to Congress on Medicaid and CHIP*, March 2011, <http://www.macpac.gov/reports> (reporting on a 2004-2005 Community Tracking Study Physician Survey).

^[4] Center for Studying Health System Change, *State Variation in Primary Care Physician Supply: Implications for Health Reform Medicaid Expansions*, March 2011, <http://www.hschange.com/CONTENT/1192>.

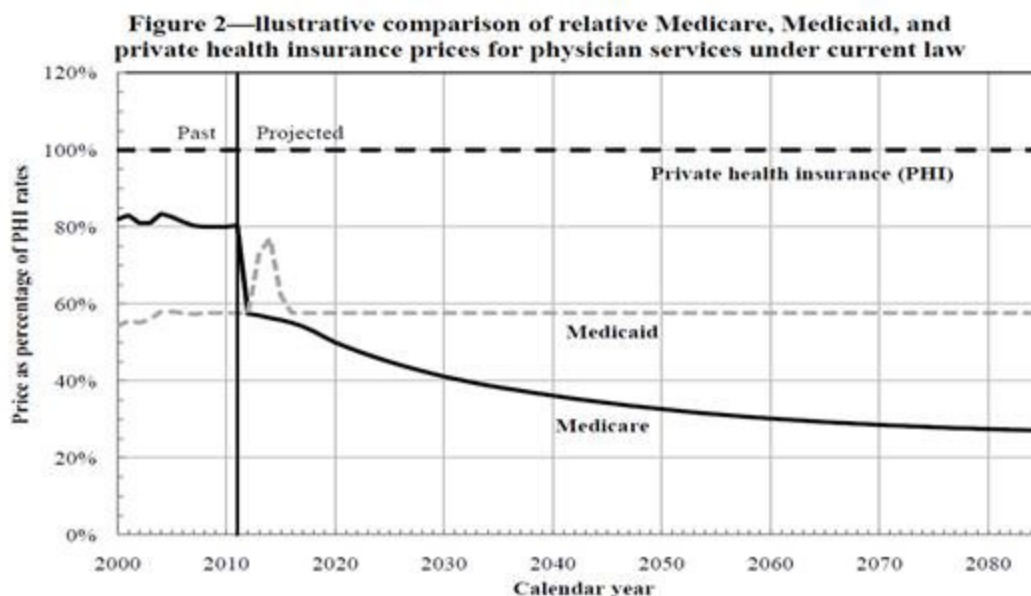
^[5] Stephen Zuckerman, Aimee Williams and Karen Stockley, *Trends in Medicaid Physician Fees, 2003-2008*, April 2009, <http://content.healthaffairs.org/content/28/3/w510.full.pdf+html>.

^[6] Kevin Sack, “As Medicaid Payments Shrink, Patients Are Abandoned,” *New York Times*, March 15, 2010, <http://www.nytimes.com/2010/03/16/health/policy/16medicaid.html?emc=eta1>.

- Acute national shortages of pediatric and adult specialists in Medicaid are “large and growing concerns” according to a recent Kaiser Family Foundation roundtable discussion with government officials and experts. “Inadequate access to specialist care poses particular risks for many in the Medicaid population.”^[7]
- A typical example: An obstetrician who has seen Medicaid patients for a quarter century is forced to limit the type of Medicaid patients he takes because of low reimbursement: “Pregnant women, yes; other women seeking gynecological care, no.”^[8]

Just this month the New York Times reported “Children on Medicaid Shown to Wait Longer for Care” and “As Number of Medicaid Patients Goes Up, Their Benefits Are About to Drop” referring to anticipated changes when nearly \$90 billion in extra Medicaid money for states in the President’s “stimulus” package runs out tomorrow.^[9]

Now consider the CMS Actuary confirms Medicare rates for physician services will drop well below Medicaid’s rates as detailed in the graph below.^[10]



^[7] Kaiser Commission on Medicaid and the Uninsured, *Ensuring Access to Care in Medicaid under Health Reform*, May 2011, <http://www.kff.org/healthreform/upload/8187.pdf>.

^[8] Robert Garrett, “Texas Doctors Threaten to Drop Medicaid, Fear Cuts,” *Dallas Morning News*, July 10, 2010, <http://www.dallasnews.com/news/state/headlines/20100710-Texas-doctors-threaten-to-drop-Medicaid-8864.ece>.

^[9] Denise Grady, “Children on Medicaid Shown to Wait Longer for Care,” *New York Times*, June 15, 2011, <http://www.nytimes.com/2011/06/16/health/policy/16care.html?emc=tnt&tntemail0=y>; Robert Pear, “As Number of Medicaid Patients Goes Up, Their Benefits Are About to Drop,” *New York Times*, June 15, 2011, <http://www.nytimes.com/2011/06/16/health/policy/16medicaid.html?emc=tnt&tntemail0=y>.

^[10] CMS, *Projected Medicare Expenditures under an Illustrative Scenario with Alternative Payment Updates to Medicare Providers*, May 2011, <http://www.cms.gov/ReportsTrustFunds/Downloads/2011TRAlternativeScenario.pdf>. The Medicare shortfall is even more dramatic compared to private pay rates. The CMS actuary warns Medicare payment rates will fall to 57 percent of private pay rates next year on their way to only 27 percent of private pay rates in the future.

So if the Texas Association of Health Plans is correct when it predicts “further Medicaid fee cuts could set off a doctor stampede,”^[11] what will doctors do if nothing is done to protect Medicare from the fallout of President Obama’s and Democrats’ government takeover of healthcare?

What comes after stampede?

Former CBO Director Douglas Holz-Eakin on whether the many of personal struggles with Medicaid access described in a recent [New York Times](#) story will happen for Medicare recipients.

Medicare's trajectory is dangerous to the economy, the federal budget, and especially beneficiaries. Unless there are reforms, providers will increasingly be unable to meet the costs of Medicare services. We have already seen this movie. It is called Medicaid, a broken program that traps low-income Americans in a health ghetto of inadequate care. Seniors will be unable to find a doctor, get the care they need, and suffer needlessly because of the unwillingness of liberals to acknowledge the need for reform.

Key Take-Aways

- Physicians are already limiting access for Medicare beneficiaries.
- President Obama’s government takeover of healthcare will make the situation dramatically worse.
- Medicaid access problems are the future of Medicare if we don’t change course.

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^[11] Robert Garrett, “Texas Doctors Threaten to Drop Medicaid, Fear Cuts,” *Dallas Morning News*, July 10, 2010, <http://www.dallasnews.com/news/state/headlines/20100710-Texas-doctors-threaten-to-drop-Medicaid-8864.ece>.